

* 5/027/068
5/023/063

Jim Kelsey
Jean Smith
65 South 500 West
Delta, Utah 84624

August 25, 2002

Tom Munson
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114

RE: Ruby Red Mine

Dear Tom:

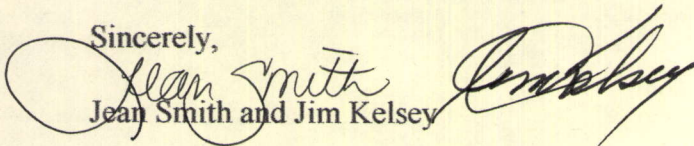
Thank you for taking the time to inspect the Ruby Red Mine with us. Thank you also for discussing our Plan of Operations, preparing and sending a map, and letting us know what options are available to resolve the issues we are having at the mine site.

Please consider this letter a formal request to return the \$150.00 permit fee for the Cotton Blossom Claim #4, Project ID # S230063. If we understood you correctly, the money was sent in error, in fact, it has been sent in error for the past two to three years.

The "Plan of Operations" will be presented to the BLM Fillmore Office on Monday, August 26, 2002. If we need to do anything with your office, please advise. We will post a Certificate of Deposit with the BLM for the reclamation work upon their approval of the Plan of Operations. I have enclosed a copy of the Plan of Operations as well as the letter to the Fillmore BLM Field Office for your information.

Once again, thank you for a most enjoyable and educational trip to the claims.

Sincerely,


Jean Smith and Jim Kelsey

Enclosures: 3

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OIL, GAS AND MINING

Jim Kelsey
Jean Smith
65 South 500 West
Delta, Utah 84624

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Bureau of Land Management
Fillmore Field Office
Attention: Larry Garahana
35 East 500 North
Fillmore, Utah 84631

RE: Ruby Red Mine - Plan of Operations

Dear Mr. Garahana:

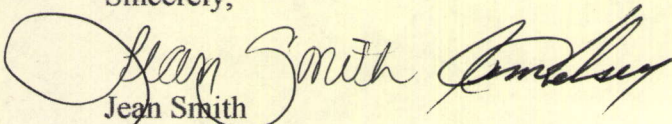
Per your request, We have enclosed a copy of the "Plan of Operations" for your perusal. As you know, we would appreciate your directive if you find this document does not meet with your criteria.

For the record, we plan to discuss changing the name of the Ruby Red to Hope Mining with Rita at the Salt Lake BLM office. In the event we can change the name, we will also file with the Division of Gas, Oil, and Mining, changing the name of the operator on our claim. It is our hope that this action will solve the problem we are now having with Clay Holman.

Thank you for taking the time to personally meet with us. Your assistance is greatly appreciated.

We would like to resume our mining operations as soon as possible, therefore your prompt attention to approving our Plan of Operations will be appreciated.

Sincerely,


Jean Smith
Jim Kelsey

cc: Tom Munson, Division of Gas, Oil, and Mining
George Young

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Pipestone/Catlinite

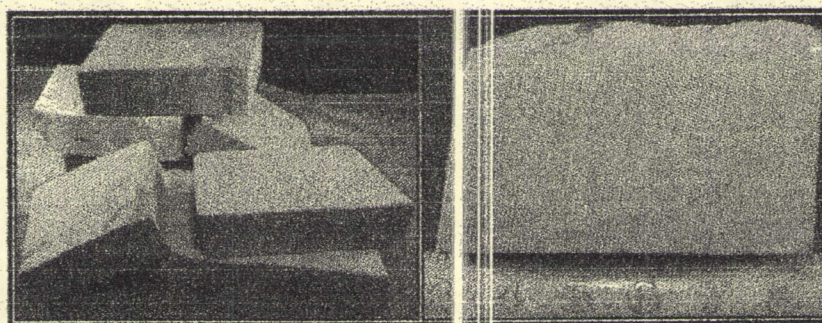
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Pipestone (Catlinite) is the sacred red clay stone that American Indians use for making prayer pipes. It is found in only a few places in the world. The best quality pipestone comes from southwestern Minnesota. It ranges in color from pale pink to brick or blood red and normally has small lighter spots - referred to as "stars" - scattered throughout. Pipestone is smooth to the touch, can be easily carved and takes a high polish.







In 1836, American artist **George Catlin** - after whom Catlinite is named - recorded the Sioux legend of the origin of the pipestone as follows:

"At an ancient time the Great Spirit, in the form of a large bird, stood upon the wall of rock and called all the tribes around him. Taking out a piece of the red stone, he formed it into a pipe and smoked it, the smoke rolling over the whole multitude. He then told his red children that this red stone was their flesh, that they were made from it, that they must all smoke to him through it, that they must use it for nothing but pipes: and as it belonged alike to all the tribes, the ground was sacred, and no weapons must be used or brought upon it."

We have the following pieces of Minnesota pipestone available for carving or for collectors.

When ordering by phone, fax or mail, please specify the piece you want by number

pc#	SIZE	PRICE	pc#	SIZE	PRICE
1	6.8" x 3.8" x 1.4"	SOLD ADD TO CART	3	6.2" x 4" x 1.25"	\$29.00 ADD TO CART
2	5.75" x 4.0" x 1.5"	\$31.00 ADD TO CART	5	7.6" x 3.6" x 1.3"	\$33.50 ADD TO CART

3	5.8" x 4.2" x 1.5"	\$34.50  ADD TO CART	7	7.5" x 3.75" x 1.5"	\$39.50  ADD TO CART
4	6.25" x 3.1" x 1.25"	\$22.00  ADD TO CART	11	7" x 4" x 1.5"	SOLD  ADD TO CART

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Ruby Red Mine
Plan of Operations
August 25, 2002
Quarry Plan with Progressive Reclamation

INTRODUCTION

The Ruby Red mine is located approximately 45 miles southwest of Delta, Millard County, Utah. It is the purpose of the proposed project to market Catlinite (pipestone) and building stone to our clients. The property has never been core-drilled, therefore it is difficult to determine the amount of reserve at the site. Catlinite is used for sculpting as well as in Native American Tribal ceremonies (see attached).

PLAN OF OPERATIONS

Overall Quarry Development Concept

The proposed quarry area initially to be developed is situated in the red area of the attached map. This red area indicates the 1.2 acres of disturbance on the property. The proposed project will encompass 2 acres. The development of the quarry area will involve the progressive removal of overburden from the underlying material. The overburden will be stockpiled, then used for reclamation work upon completion of rock removal from that same area. Presently, the overburden is stockpiled on the Northwest and Southeast of the "staging area". Quarry development will progress Northwest and Southeast, and somewhat to the Northeast (top of the current disturbed area). The quarry benches presently in existence at the site will be developed to the greatest extent practicable. The quarrying process will require drilling and blasting to break the rock to a manageable size. The quarried stone will be shipped out on pallets, smaller pieces will be stockpiled to be utilized in some of the reclamation process. This "waste rock" material could be made available to local contractors for use as road aggregate and rip rap. The amount of stone removed will be determined by the market. At this time we can only estimate that approximately 40,000 tons a year will be removed.

PROGRESSIVE RECLAMATION

Progressive reclamation of this property will involve pushing the waste rock, then topsoil over a portion of the disturbed area no longer in use. The area will be recontoured to approximate the surrounding topography as closely as possible to enhance stability, reduce susceptibility to erosion, facilitate efforts to establish vegetation. Finished slopes will be seeded with plants native to this area.

ESTIMATED COST OF RECLAMATION

D-8 Cat with operator: \$120.00 per hour - Total Cost \$1200.00

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D-8 Cat mobilization	500.00
Re-seeding	100.00
Total Cost	\$1700.00

CERTIFICATE OF DEPOSIT

Certificate of Deposit will be in place at Zion's National Bank upon approval of this Plan of Operation.

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